

Act on Special Measures Concerning New Energy Use by Electricity Providers (The amendment to Article 2, paragraph (2), item (vi) has not come into effect.)

(Act No. 62 of June 7, 2002)

(Purpose)

Article 1 The purpose of this Act is to take necessary measures for new energy use by electricity providers with an aim to contribute to the stable and appropriate supply of energy in accordance with the economic and social environment in and outside Japan, thereby contributing to environmental protection and the sound development of the national economy.

(Definitions)

Article 2 (1) The term "electricity providers" as used in this Act means general electricity providers as prescribed in item (ii) of paragraph (1) of Article 2 of the Electricity Business Act (Act No. 170 of 1964), specified electricity providers as prescribed in item (vi) of that paragraph, and specified-scale electricity providers as prescribed in item (viii) of that paragraph.

(2) The term "new energy, etc." as used in this Act means the following types of energy:

(i) wind energy;

(ii) sunlight energy;

(iii) geothermal energy;

(iv) hydroelectric power (limited to those as specified by Cabinet Order);

(v) heat produced from biomass (meaning organic substances derived from animals and plants which can be used as energy sources (excluding crude oil, petroleum gas, combustible natural gas, coal, and products manufactured from those));

(vi) beyond what is set forth in the preceding items, energy other than heat produced from fossil fuels (meaning crude oil, petroleum gas, combustible natural gas, coal, and fuels products produced from those (including the by-products from production thereof which are used for combustion)) as specified by Cabinet Order.

(3) The term "electricity from new energy, etc." as used in this Act means electricity that is generated by transforming new energy, etc. into electricity using facilities that generate electricity from new energy, etc..

(4) The term "facilities that generate electricity from new energy" as used in this Act means facilities that transform new energy, etc. into electricity and that

have been approved pursuant to the provisions of paragraph (1) of Article 9.

- (5) The term "use" as used in this Act means supplying electricity in whole or in part (except for the electricity supplied to electricity providers) by using electricity from new energy, etc..

(Objectives of Use of Electricity from New Energy)

Article 3 (1) Every four years, the Minister of Economy, Trade and Industry must, upon hearing the opinions of the Advisory Committee for Natural Resources and Energy, set a goal of using electricity from new energy, etc. assigned to electricity providers (hereinafter referred to as a "goal for using electricity from new energy, etc.") for eight years following the relevant fiscal year, pursuant to Order of the Ministry of Economy, Trade and Industry.

- (2) The particulars prescribed for the goal of using electricity from new energy, etc. are as follows:
- (i) particulars related to the target usage for electricity from new energy, etc.;
 - (ii) particulars related to facilities that generate electricity from new energy, etc. to be newly established; and
 - (iii) other particulars as provided by Order of the Ministry of Economy, Trade and Industry.

(3) The Minister of Economy, Trade and Industry is to, when the minister finds it particularly necessary based on the penetration of new energy etc., oil supply and demand, and other extreme changes in economic and social circumstances, hear the opinions of the Advisory Committee for Natural Resources and Energy and change the goal of using electricity from new energy, etc.

(4) When the Minister of Economy, Trade and Industry intends to set or change the goal of using electricity from new energy, etc., the minister must hear the opinions of the Minister of Environment and the Minister of Agriculture, Forestry and Fisheries or the Minister of Land, Infrastructure and Transport in advance, pursuant to the provisions of Cabinet Order.

(5) The Minister of Economy, Trade and Industry is to, when the minister sets or changes a goal of using electricity from new energy, etc., notify this to the public without delay.

(Standard Usage Amount of Electricity from New Energy)

Article 4 (1) Electricity providers must, pursuant to Order of the Ministry of Economy, Trade and Industry, notify the Minister of Economy, Trade and Industry by June 1 of each year of their standard usage of electricity from new energy, etc. (meaning the amount of electricity from new energy, etc. calculated pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry as the amount to be used by the electricity providers in the year in which a notification is submitted, in consideration of the prevalence of power

facilities that modulate the voltage that are necessary for setting a usage target for electricity from new energy, etc. and introduction of power facilities for electricity from new energy, etc. based on the amount of electricity supplied by the electricity providers in the fiscal year before the year in which a notification is submitted (except for the electricity supplied to other electricity providers; the same applies in Article 10); the same applies hereinafter), which they plan to use for a one-year period from April 1 of the relevant year to March 31 of the following year (hereinafter referred to as the "year in which a notification is submitted"), and other particulars as prescribed by Order of the Ministry of Economy, Trade and Industry.

(2) With regard to the application of the provisions of the preceding paragraph to electricity providers who started to supply electricity during the period from April 1 to June 1 of the year in which a notification is submitted, the phrase "from April 1" in the preceding paragraph is deemed to be replaced with "from the date on which the electricity provider started to supply electricity," and the phrase the "amount of electricity supplied by the electricity providers in the fiscal year before the year in which a notification is submitted" are deemed to be replaced with the "estimated amount of electricity supplied by the electricity providers in the year in which a notification is submitted" respectively.

Article 5 Electric providers must use the amount of new energy, etc. greater than that of the standard electricity usage amount (or the revised amount, if the amount is changed pursuant to the provisions of the following Article and Article 7; the same applies in Article 8) of electricity from new energy, etc. in each fiscal year, pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry.

(Changes in the Standard Electricity Usage Amount)

Article 6 If another electricity provider uses electricity from new energy, etc. exceeding its standard electricity usage amount, the electricity provider may reduce the amount of electricity from new energy, etc. equivalent to the excess usage, when the consent of the electricity provider in the relevant area is obtained, and with the approval of the Minister of Economy, Trade and Industry, pursuant to Order of the Ministry of Economy, Trade and Industry.

Article 7 (1) The Minister of Economy, Trade and Industry may reduce the standard electricity usage amount of electricity provider in the year in which a notification is submitted, when the electricity provider that has difficulty in using the amount of electricity from new energy, etc. equivalent to the standard energy usage amount thereof pursuant to the provisions of Article 5, due to disaster or unavoidable circumstances.

(2) If the standard electricity usage amount is reduced pursuant to the provisions of the preceding paragraph, the Minister of Economy, Trade and Industry must notify the relevant electricity providers of the reduction.

(Recommendations and Orders)

Article 8 (1) If the amount of electricity from New Energy, etc. used by an electricity provider is less than the standard electricity usage amount and when the Minister of Economy, Trade and Industry finds that the provider does not have reasonable grounds for not using the amount may recommend that the electricity provider use the electricity from new energy, etc. pursuant to the provisions of Article 5 by setting a time limit for using the amount.

(2) In the case prescribed in the preceding paragraph, if the Minister of Economy, Trade and Industry finds that the shortage of usage amount of electricity from new energy, etc. falls under the standard specified by Order of the Ministry of Economy, Trade and Industry, the minister may order the electricity provider to use the electricity from new energy, etc. pursuant to the provisions of Article 5 by setting a time limit for filling the shortage.

(Approval of Facilities that Generate Electricity from New Energy)

Article 9 (1) A person who generates or intends to generate electricity using a facility that transforms new energy, etc. into electricity may obtain the approval of the Minister of Economy, Trade and Industry pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry if the person meets the requirements prescribed in the following items:

(i) the facility for transforming new energy, etc. into electricity that is established or to be established by the person who generates or intends to generate electricity, conforms to the standards prescribed by Order of the Ministry of Economy, Trade and Industry; and

(ii) the method of generating electricity conforms to the standards prescribed by Order of Ministry of Economy, Trade and Industry.

(2) When the Minister of Economy, Trade and Industry finds that the generation of electricity pertaining to the request for approval referred to in the preceding paragraph conforms to all of the items in the preceding paragraph, the minister is to grant the approval referred to in that paragraph.

(3) When the Minister of Economy, Trade and Industry intends to grant the approval referred to in paragraph (1) concerning a facility that generates electricity from new energy, etc., the minister must consult with the Minister of Agriculture, Forestry and Fisheries, the Minister of Land, Infrastructure and Transport, or the Minister of Environment in advance, pursuant to the provisions of Cabinet Order.

(4) The Minister of Economy, Trade and Industry may revoke the approval if the

minister finds that the generation of electricity pertaining to the approval referred to in paragraph (1) does not conform to any of the items of that paragraph.

- (5) In addition to what is prescribed in the respective preceding paragraphs, particulars necessary for the approval referred to in paragraph (1) are prescribed by Cabinet Order.

(Notification of the Amount of Electricity Supplied)

Article 10 Pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry, electricity providers must notify the Minister of Economy, Trade and Industry by June 1 of each year of the amount of electricity supplied from April 1 of the previous year to March 31 of the relevant year, and of other particulars specified by Order of the Ministry of Economy, Trade and Industry.

(Entries in the Books)

Article 11 Pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry, electricity providers and persons who have received the approval referred to in paragraph (1) of Article 9 must prepare and use an account book, or enter the amount of the generated electricity from new energy, etc. and other particulars specified by Order of the Ministry of Economy, Trade and Industry therein, and keep the books.

(Collection of Reports and On-Site Inspections)

Article 12 (1) The Minister of Economy, Trade and Industry may request electricity providers and persons who have obtained the approval referred to in paragraph (1) of Article 9 to submit reports on their business activities to the extent necessary for the enforcement of this Act.

- (2) The Minister of Economy, Trade and Industry may have their officials enter the places of business or offices of electricity providers who have obtain the approval referred to in paragraph (1) of Article 9, and inspect their books, documents, and other items to the extent necessary for the enforcement of this Act.

(3) The officials who conduct on-site inspections pursuant to the provisions of the preceding paragraph must carry an identification card and show it to the relevant persons.

(4) The authority to conduct on-site inspections under the provisions of paragraph (2) must not be construed as authority granted for criminal investigations.

(Transitional Measures)

Article 13 When orders are enacted, amended, or abolished pursuant to the

provisions of this Act, necessary transitional measures (including transitional measures for penal provisions) may be established to the extent deemed reasonably necessary for the enactment, amendment, or abolition thereof.

(Delegation of Authority)

Article 14 The matters under the authority of the Minister of Economy, Trade and Industry pursuant to the provisions of this Act may be delegated to a Director-General of a Regional Bureau of Economy, Trade and Industry pursuant to the provisions of Cabinet Order.

(Penal Provisions)

Article 15 Persons in violation of an order under the provisions of paragraph (2) of Article 8, is punished by a fine of not more than one million yen.

Article 16 Persons who fall under any of the following items is punished by a fine of not more than 300,000 yen:

- (i) persons who fails to provide notification under the provisions of Article 4 or Article 10, or persons who provides false notification;
- (ii) persons who fail to prepare the books or fail to make entries in the books in violation of the provisions of Article 11, or persons who make false entries, or fail to retain the books;
- (iii) persons who fail to make reports under the provisions of paragraph (1) of Article 12 or persons who make false reports or refuse, prevent, or evade an inspection under the provisions of paragraph (2) of that Article.

Article 17 When a representative of a juridical person, a juridical person, or an agent, employee, or and other worker of an individual person violates the preceding two Articles with regard to the business activities of the juridical person or individual, not only the offender is punished, but the juridical person or individual is also punished by the penalty prescribed in the relevant Article.

Supplementary Provisions [Extract]

(Effective Date)

Article 1 This Act come into effect on the day specified by Cabinet Order within a period not exceeding six months from the date of promulgation; provided, however, that the provisions of Article 3 through Article 8, Article 10 through Article 12, Article 15, and Article 16 come into effect on April 1, 2003 (limited to the part pertaining to electricity providers of Article 11, Article 12, and Article 16).

(Transitional Measures)

Article 2 (1) The Minister of Economy, Trade and Industry may set the usage target for electricity from new energy, etc. before the enforcement of the provisions of Article 3, pursuant to the provisions of that Article, and announce this to the public.

(2) A usage target for electricity from new energy, etc. which is set pursuant to the provisions of the preceding paragraph is deemed to have been prescribed pursuant to the provisions of paragraph (1) of Article 3 on the date on which the provisions of Article 3 come into effect.

Article 3 Among persons who are actually approved as electricity providers on the date on which the provisions of Article 5 came into effect, the standard electricity usage amount specified in Article 4 pertaining to the electricity providers certified by the Minister of Economy, Trade and Industry as those having extreme difficulty in using electricity from new energy pursuant to the provisions of Article 5, is the amount obtained by adjusting the amount calculated pursuant to the provisions of Article 4 using a method specified by the Minister of Economy, Trade and Industry in consideration of the usage of energy from new energy, etc. and other circumstances, for seven years from the enforcement of the provisions of Article 5, notwithstanding the provisions of Article 4.

(Provisions Governed by Cabinet Order)

Article 4 In addition to what is prescribed in Article 2, transitional measures necessary for the enforcement of this Act are prescribed by Cabinet Order.

(Reviews)

Article 5 When three years have elapsed from the enforcement of this Act, the government is to, while taking into consideration the status of enforcement thereof, conduct a review of the provisions of this Act and take necessary measures based on the results of the review.